

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS  
INFORMATIONAL STATEMENT AS REQUIRED BY NRS 233B.066**

LCB FILE NO. R127-20

The following statement is submitted by the State of Nevada, Department of Business and Industry, Division of Insurance (“Division”) for adopted amendments to Nevada Administrative Code (“NAC”) Chapter(s) 686B.

1. A clear and concise explanation of the need for the adopted regulation.

During the 2019 Session of the Nevada Legislature, an industry supported amendment was added in Senate Bill 86 to NRS 686B.112, subsection 5, to allow for the Commissioner to assess against an insurer for the actual costs for an external actuarial review of a rate filing. When the proposed amendment was produced by LCB for consideration by the Assembly Commerce Committee, Subsection 1 of that statute was also modified by LCB staff adding language that the Commissioner shall perform an actuarial review of and consider each rate filing of a health plan actuarial review for each rate filing of a health plan.

The Division has used certified actuaries to perform actuarial reviews on filed rates of Patient Protection and Affordable Care Act (“ACA”) health benefit plans and dental plans in order to allow the state to continue its status as an ACA Effective Rate Review Program. Additionally, to reduce the costs of non-ACA health plans and to effectively utilize staff, Division Actuarial Analysts have historically performed rate reviews on those filed health plans that are not ACA based plans. The Division staff rate reviews of non-ACA plans would not be considered an “actuarial review,” which must be performed by a certified actuary.

This regulation is necessary to allow the Commissioner (under the authority granted in NRS 686B.040) to continue to utilize rate reviews of those filed non-ACA health plans issued pursuant to NRS Chapters 689A, 689B, 689C, 695B, 695C, 695D and 695F, as the Commissioner deems would be in the best interest of Nevada consumers to do so.

2. A description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

- (a) A description of how public comment was solicited:

Public comment was solicited by e-mailing the proposed regulation, notice of workshop, notice of intent to act upon the regulation, and small business impact statement to persons on the Division’s mailing list requesting notification of proposed regulations. The documents were also made available on the website of the Division, <http://doi.nv.gov/>, the website of the Nevada Legislature, <http://www.leg.state.nv.us>, and the Nevada Public Notice website, <http://www.notice.ng.gov>. The documents were also emailed, or mailed where no email address was available, to the main library for each county in Nevada.

Public comment was also solicited at the workshop held on September 24, 2020, and at the hearing held on November 5, 2020. The public workshop and hearing took place virtually via Webex. Pursuant to Governor Sisolak’s March 22, 2020 Declaration of Emergency Directive 006 (extended by Declaration of Emergency Directive 029), the requirement contained in NRS 241.023.1(b) that there be a physical location designated for meetings of public bodies where members of the public are permitted to attend and participate is suspended in order to mitigate the possible exposure or transmission of COVID-19 (Coronavirus).

(b) A summary of the public response:

One written comment was received. Jack Kim requested clarification that this proposed regulation would apply only to those entities already required to file rates with the Division. Clarification was provided through testimony at both the regulation workshop and hearing, in the Summary of Proceedings, and restated below.

This proposed regulation strictly addresses the type of rate review the Division will perform on the products that are required to file rates; a certified actuarial review will not be required on all filed health products. The regulation would not change which products are required to file rates with the Division (i.e. large group health benefit plans would continue to be exempt from filing rates with the Division).

(c) An explanation of how other interested persons may obtain a copy of the summary:

The summary in part 2(b) above reflects the public comments and testimony that transpired with regard to regulation R127-20. A copy of said summary may be obtained by contacting Mark Garratt at (775) 687-0700 or mgarratt@doi.nv.gov. This summary will also be made available by e-mail request to insinfo@doi.nv.gov.

3. The number of persons who:

- (a) Attended the hearing: Thirteen (13)
- (b) Testified at the hearing: One (1)
- (c) Submitted to the agency written statements: One (1)

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3 (b) and (c), as provided to the agency:

Testified at the hearing:

<b>Name</b>	<b>Entity/Organization Represented</b>	<b>Business Address</b>	<b>Telephone No./ Business Telephone No.</b>	<b>E-Mail Address</b>
Nick Stosic	Nevada Division of Insurance	1818 E. College Parkway Carson City, NV 89706	(775) 687-0700	nstosic@doi.nv.gov

Submitted to the agency written statements:

<b>Name</b>	<b>Entity/Organization Represented</b>	<b>Business Address</b>	<b>Telephone No./ Business Telephone No.</b>	<b>E-Mail Address</b>
Jack Kim	UHC		(702) 240-8890	Jack.Kim@uhc.com

5. A description of how comments were solicited from affected businesses, a summary of their responses, and an explanation of how other interested persons may obtain a copy of the summary.

(a) A description of how comments were solicited from affected businesses:

Comments were solicited from affected businesses in the same manner as they were solicited from the public. Please see the description provided above in response to #2(a).

(b) A summary of the responses from affected businesses:

Refer to #2(b): One public comment was received. Jack Kim requested clarification that this proposed regulation would apply only to those entities already required to file rates with the Division. Clarification was provided through testimony at the regulation workshop and hearing, in the Summary of Proceedings, and restated in #2(b).

(c) An explanation of how other interested persons may obtain a copy of the summary:

Refer to #2(c): The summary in #5(b) above reflects the public comments and testimony that transpired with regard to regulation R127-20. A copy of said summary may be obtained by contacting Mark Garratt at (775) 687-0700 or mgarratt@doi.nv.gov. This summary will also be made available by e-mail request to insinfo@doi.nv.gov.

6. If after consideration of public comment the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

After consideration of the public comment that was received, the Division clarified the intent of this proposed regulation through testimony in the workshop and hearing, in the Summary of Proceedings, and restates the clarification below.

This proposed regulation strictly addresses the type of rate review the Division will perform on the products that are required to file rates; a certified actuarial review will not be required on all filed health products. The regulation would not change which products are required to file rates with the Division (i.e. large group health benefit plans would continue to be exempt from filing rates with the Division).

7. (a) The estimated economic effect of the adopted regulation on the business which it is to regulate:

(1) Both adverse and beneficial effects: None.

(2) Both immediate and long-term effects: None.

(b) The estimated economic effect of the adopted regulation on the public:

(1) Both adverse and beneficial effects: None.

(2) Both immediate and long-term effects: None.

8. The estimated cost to the agency for enforcement of the adopted regulation.

None, as this maintains the historical form of insurance regulation on non-ACA filed health plan rates.

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates, and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

Not applicable, as there is no overlap or duplication.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

Not applicable, as there are not more stringent provisions.

11. If the regulation establishes a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

Not applicable, as this regulation does not establish a new fee or increase an existing fee.